

forth. Redemptions will be comprised of principal and proportionate interest.

**§ 363.58 May book-entry savings bonds be pledged or used as collateral?**

Bonds may not be pledged or used as collateral for the performance of an obligation.

**§ 363.59 What is a payroll savings plan?**

A payroll savings plan is an automatic method of purchasing savings bonds. (See the definition in § 363.6.) You may open your payroll savings plan by selecting an amount, series, and registration for your savings bond purchases using functionality in your TreasuryDirect® account. Each bond purchase must be in a minimum amount of \$25 with additional one-cent increments above that amount, up to a maximum amount of \$5000, in any one transaction. The series may be either a Series EE or Series I savings bond. The registration may be any authorized form of registration for an electronic savings bond. You must also initiate a request to your employer or your financial institution to send credits on a recurring basis to your payroll savings plan through the ACH method to purchase a payroll zero-percent certificate of indebtedness. (See Subpart D for more information about a payroll zero-percent certificate of indebtedness.) When you have accumulated a sufficient amount of payroll zero-percent certificate of indebtedness to purchase a savings bond in the amount, series, and registration that you selected, the TreasuryDirect® system will automatically redeem your payroll zero-percent certificate of indebtedness and purchase your selected savings bond.

[75 FR 70816, Nov. 19, 2010]

**§ 363.60 How do I discontinue my participation in my payroll savings plan?**

You may discontinue your participation in your payroll savings plan by arranging with your employer or financial institution to discontinue sending funds.

[75 FR 70816, Nov. 19, 2010]

**§§ 363.61–363.82 [Reserved]**

**§ 363.83 May an account owner transfer a book-entry savings bond to a minor?**

An account owner may transfer a bond to a minor as a gift or pursuant to one of the specified exceptions in § 363.55(a).

**§§ 363.84–363.94 [Reserved]**

GIFTS

**§ 363.95 How may I give, and who can receive, a book-entry savings bond as a gift?**

You may give a book-entry savings bond as a gift in two ways:

- (a) An individual may purchase a book-entry savings bond online as a gift and give it to an individual; or
- (b) A person who owns a bond may transfer that bond to another person as a gift with immediate delivery.

[67 FR 64286, Oct. 17, 2002, as amended at 68 FR 24807, May 8, 2003; 70 FR 57437, Sept. 30, 2005; 74 FR 19419, Apr. 29, 2009]

**§ 363.96 What do I need to know if I initially purchase a bond as a gift?**

- (a) An entity may not purchase a gift savings bond.
- (b) The gift bond will be registered in the name of the recipient(s). The registration is irrevocable with regard to the owner named on the gift bond.
- (c) You must provide the SSN of the recipient.
- (d) You may deliver the bond upon purchase, or you may hold the bond in your TreasuryDirect® account until you are ready to deliver the bond to the owner named on the gift bond.
- (e) If the purchaser dies before delivering a gift bond to the recipient, the bond belongs to the owner named on the gift bond, notwithstanding any testamentary attempts to the contrary by the purchaser, or any state law to the contrary. We will hold the bond until we receive instructions from the owner named on the gift bond.

[67 FR 64286, Oct. 17, 2002, as amended at 69 FR 2508, Jan. 16, 2004; 74 FR 19419, Apr. 29, 2009]